

**RESOLUTION NO. 2015-1**

**A CAPITAL PROJECT AUTHORIZING RESOLUTION OF THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAIYNE, FLORIDA, AUTHORIZING AND PROVIDING FOR THE VILLAGE TO LEASE/PURCHASE FOUR (4) POLICE VEHICLES, EMERGENCY EQUIPMENT AND INSTALLATION, GRAPHIC INSTALLATION AND WINDOW TREATMENTS, IN AN AMOUNT NOT EXCEEDING \$130,000; AUTHORIZING THE VILLAGE MANAGER TO SELL ANY REPLACED VEHICLES; SELECTING PROPOSAL FROM BRANCH BANKING AND TRUST COMPANY TO PROVIDE FINANCING; AUTHORIZING THE VILLAGE MANAGER AND OTHERS TO NEGOTIATE FINAL TERMS AND PREPARE AND EXECUTE DOCUMENTS; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS,** the Village Council as the governing body of the Village of Key Biscayne (the “Village”) desires to obtain certain equipment described in Section 2 hereof (the “Equipment”); and

**WHEREAS,** the Equipment is essential for the Village to perform its governmental functions; and

**WHEREAS,** the Village recently sought proposals through a competitive bidding process for financing the cost of the Equipment; and

**WHEREAS,** the Village received a proposal (the “Proposal”), from Branch Banking and Trust Company (the “Bank”), to provide lease-purchase financing for the Equipment; and

**WHEREAS,** the Village Council desires to lease purchase the Equipment for an amount not exceeding \$130,000 in substantial accordance with the terms of the Proposal; and

**WHEREAS,** the Village Council desires to authorize the Village Manager to enter into a lease purchase agreement and related documents in substantial accordance with the terms of the Proposal, subject to the approval of the Village Attorney as to form and legal sufficiency; and

**WHEREAS**, the Village Council finds that this Resolution is in the best interest and welfare of the residents of the Village.

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE VILLAGE COUNCIL OF THE VILLAGE OF KEY BISCAYNE, FLORIDA, AS FOLLOWS:**

**Section 1. Recitals Adopted.** Each of the recitals stated above is hereby adopted, confirmed and incorporated herein.

**Section 2. Capital Project Authorizing Resolution.** Pursuant to Section 3.07(b) of the Village Charter, this Resolution shall constitute a Capital Project Authorizing Resolution. The Capital Project is the purchase of four (4) new vehicles for the Village of Key Biscayne Police Department, emergency equipment and installation, graphic installation and window treatments (the “Equipment”) at a projected cost of \$128,513, with the actual cost not to exceed \$130,000.

**Section 3. Acceptance of Proposal.** The Village Council hereby accepts the Proposal of the Bank to provide lease-purchase financing for the Equipment, a copy of which is attached as Exhibit “A” to this Resolution.

**Section 4. Sale of Replaced Equipment.** The Village Manager is authorized to sell any vehicles and/or equipment which are being replaced by the Equipment.

**Section 5. Village Manager and Others Authorized.** The Village Manager is hereby authorized to negotiate with the Bank the final terms of a lease-purchase agreement (the “Lease”), the related project fund agreement, and other related documents, consistent with the Proposal. The Village Attorney and Bond Counsel to the Village are hereby authorized to draft documents and to do all other things necessary to accomplish the lease-purchase financing.

**Section 6. Equipment Purchase Authorized; Execution of Documents.** The

acquisition of the Equipment is hereby authorized. The Village Council hereby authorizes the Village Manager to execute the Lease, the related project fund agreement, and other related documents, once approved by the Village Attorney for legal sufficiency, for the acquisition of the Equipment for a cost which is consistent with this Resolution and the Proposal. The Village Manager is authorized to take all action and execute all other documents necessary to implement this Resolution and the Lease, the related project fund agreement, and other related documents, and is authorized to expend Village funds for the purchase of the Equipment pursuant to the Lease and in accordance with Village budget appropriations. The Village Clerk of the Village is authorized to affix the official seal of the Village to the Lease, the related project fund agreement, and such other documents and attest the same. The proper officers of the Village are, and each of them hereby is, authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution and the Lease, the related project fund agreement, and other related documents, subject to the approval of the Village Attorney as to form and legal sufficiency.

**Section 7.**     **Effective Date.** This Resolution shall be effective immediately upon adoption hereof.

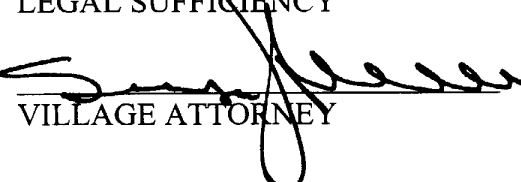
PASSED AND ADOPTED this 13<sup>th</sup> day of January, 2015.

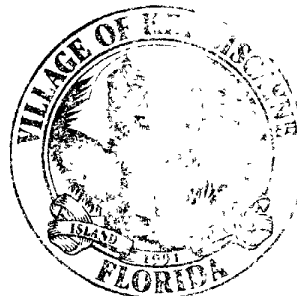
  
MAYOR MAYRA PEÑA LINDSAY

ATTEST:

  
CONCHITA H. ALVAREZ, MMC, VILLAGE CLERK

APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY

  
VILLAGE ATTORNEY



## **LEASE AGREEMENT**

**THIS LEASE AGREEMENT** (this "Agreement") is dated as of January 13, 2015, and is between the **VILLAGE OF KEY BISCAYNE, FLORIDA**, a public body of the State of Florida (the "Village"), and **BRANCH BANKING AND TRUST COMPANY ("BB&T")**.

### **RECITALS:**

The Village has the power to acquire such personal property as it may deem appropriate for carrying out its governmental and proprietary functions, and to acquire such property pursuant to lease agreements. This Agreement provides for BB&T to make available to the Village the sum of \$130,000.00 to enable the Village to acquire the Equipment (as defined below) by lease, and provides for securing the Village's obligations under this Agreement in favor of BB&T.

**NOW THEREFORE**, for and in consideration of the mutual promises in this Agreement, and other good and valuable consideration, the parties hereby agree as follows:

### **ARTICLE I**

#### **DEFINITIONS; INTERPRETATION**

Unless the context clearly requires otherwise, capitalized terms used in this Agreement and not otherwise defined shall have the following meanings:

"Additional Payments" means any of BB&T's reasonable and customary fees and expenses related to the transactions contemplated by this Agreement, any of BB&T's expenses (including attorneys' fees) in prosecuting or defending any action or proceeding in connection with this Agreement, any required license or permit fees, state and local sales and use or ownership taxes or property taxes which BB&T is required to pay as a result of this Agreement, inspection and re-inspection fees, and any other amounts payable by the Village (or paid by BB&T on the Village's behalf) due and owing under this Agreement (together with interest that may accrue on any of the above if the Village shall fail to pay the same, as set forth in this Agreement).

"Amount Advanced" has the meaning assigned in Section 2.02.

"Base Payments" means the rental payments payable by the Village pursuant to Section 3.01.

"Bond Counsel Opinion" means a written opinion (in form and substance acceptable to BB&T) of an attorney or firm of attorneys acceptable to BB&T.

**"Budget Officer"** means the Village officer from time to time charged with preparing the Village's draft budget as initially submitted to the Governing Board for its consideration.

**"Business Day"** means any day on which banks in the State are not by law authorized or required to remain closed.

**"Closing Date"** means the date on which this Agreement is first executed and delivered by the parties.

**"Code"** means the Internal Revenue Code of 1986, as amended, including regulations, rulings and revenue procedures promulgated thereunder or under the Internal Revenue Code of 1954, as amended, as applicable to the Village's obligations under this Agreement and all proposed (including temporary) regulations which, if adopted in the form proposed, would apply to such obligations. Reference to any specific Code provision shall be deemed to include any successor provisions thereto.

**"Equipment"** is as set forth in Exhibit A of this Agreement, as may be more particularly described in documentation submitted with requisitions for funds from the Project Fund account.

**"Event of Default"** means one or more events of default as defined in Section 6.01.

**"Event of Nonappropriation"** means any failure by the Governing Board to adopt, by the first day of any Fiscal Year, a budget for the Village that includes an appropriation for Required Payments as contemplated by Section 3.05.

**"Fiscal Year"** means the Village's fiscal year beginning October 1, or such other fiscal year as the Village may later lawfully establish.

**"Governing Board"** means the Village's governing board as from time to time constituted.

**"Net Proceeds,"** when used with respect to any amounts derived from claims made on account of insurance coverages required under this Agreement, any condemnation award arising out of the condemnation of all or any portion of the Equipment, or any amounts received in lieu or in settlement of any of the foregoing, means the amount remaining after deducting from the gross proceeds thereof all expenses (including attorneys' fees and costs) incurred in the collection of such proceeds, and after reimbursement to the Village or BB&T for amounts previously expended to remedy the event giving rise to such payment or proceeds.

**"Payment Dates"** means the dates indicated in Exhibit B.

**"Prime Rate"** means the interest rate so denominated and set by Branch Banking & Trust Company of North Carolina (whether or not such Bank, or any affiliate thereof, is at any time the counterparty to this Agreement) as its "Prime Rate," as in effect from time to time.

"Project Costs" means all costs of the design, planning, acquiring and installing the Equipment as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Base Payments payable by the Village under this Agreement, including (a) sums required to reimburse the Village or its agents for advances for any such costs, (b) interest during the period of the acquisition and installation of the Equipment and for up to six months thereafter, and (c) all costs related to the financing of the Equipment through this Agreement and all related transactions.

"Project Fund" has the meaning assigned in Section 2.02.

"Project Fund Agreement" has the meaning assigned in Section 2.02.

"Required Payments" means Base Payments and Additional Payments.

"State" means the State of Florida.

"Village" means the Village of Key Biscayne, Florida.

"Village Representative" means the Village's Village Manager or such other person or persons at the time designated, by a written certificate furnished to BB&T and signed on the Village's behalf by the presiding officer of the Village's Governing Board, to act on the Village's behalf for any purpose (or any specified purpose) under this Agreement.

All references in this Agreement to designated "Sections" and other subdivisions are to the designated sections and other subdivisions of this Agreement. The words "hereof" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision unless the context indicates otherwise. Words importing the singular number shall include the plural number and vice versa.

## **ARTICLE II**

### **LEASE; ADVANCE**

**2.01. Lease.** BB&T hereby leases to the Village, and the Village hereby leases from BB&T, the Equipment, for a term beginning on the Closing Date and ending upon final payment of all Required Payments, unless this Lease is earlier terminated. The Village shall be entitled to possession of all property constituting any portion of the Equipment and may retain possession of all property constituting any portion of the Equipment so long as no Event of Default is continuing under this Agreement and no Event of Nonappropriation has occurred.

**2.02. Advance.** BB&T advances \$130,000.00 (the "Amount Advanced") to the Village on the Closing Date, and the Village hereby accepts the Amount Advanced from BB&T. BB&T is advancing the Amount Advanced by making a deposit to the Project Fund (the "Project Fund") as

provided in the Project Fund Agreement of even date between Village and BB&T. All amounts on deposit in the Project Fund including the Amount Advanced and all investment earnings shall be used only for Project Costs until the Project Fund is terminated as provided under the Project Fund Agreement. Notwithstanding anything herein to the contrary, no funds will be advanced to Lessee hereunder until BB&T receives from Lessee the vehicle identification number(s) (VIN) and/or serial number(s) associated with the Equipment.

**2.03. [Reserved].**

**2.04. Village's Limited Obligation.** (a) The Required Payments shall constitute a current expense of the Village. No provision of this Agreement shall be construed or interpreted as creating a pledge of the Village's faith and credit within the meaning of any constitutional debt limitation. No provision of this Agreement shall be construed or interpreted as an improper delegation of governmental powers or as a donation or a lending of the Village's credit within the meaning of the State constitution. No provision of this Agreement shall be construed to pledge or to create a lien on any class or source of the Village's moneys (other than the funds held under the Project Fund Agreement or this Agreement), nor shall any provision of this Agreement restrict the future issuance of any of the Village's bonds or obligations payable from any class or source of the Village's moneys (except to the extent this Agreement restricts the incurrence of additional obligations secured by the Equipment).

(b) Nothing in this Section is intended to impair or prohibit execution on the Equipment if the Required Payments are not paid when due or otherwise upon the occurrence of an Event of Default under this Agreement or the Project Fund Agreement.

**2.05. Village's Continuing Obligations.** The Village shall remain liable for full performance of all its covenants under this Agreement (subject to the limitations described in Section 2.04), including payment of all Required Payments, notwithstanding the occurrence of any event or circumstances whatsoever, including any of the following:

- (a) BB&T's waiver of any right granted or remedy available to it;
- (b) The forbearance or extension of time for payment or performance of any obligation under this Agreement, whether granted to the Village, a subsequent owner of the Equipment or any other person;
- (c) The release of all or part of the Equipment or the release of any party who assumes all or any part of such performance;
- (d) Any act or omission by BB&T (but this section provision does not relieve BB&T of any of its obligations under this Agreement) or the Project Fund Agreement;
- (e) The sale of all or any part of the Equipment; or
- (f) Another party's assumption of the Village's obligations under this Agreement.

## ARTICLE III

### LESSEE'S PAYMENT OBLIGATION AND RELATED MATTERS

**3.01. Rental; Purchase Option.** (a) As rental for the Equipment, the Village shall make Base Payments to BB&T in lawful money of the United States at the times and in the amounts set forth in Exhibit B, except as otherwise provided in this Agreement. As indicated in Exhibit B, the Base Payments reflect the repayment of the Amount Advanced and include designated interest components.

(b) Upon payment of all the Base Payments and all Additional Payments, the Village may, at its option, purchase all of BB&T's interest in the Equipment, on an as-is, where-is basis, upon notice and payment to BB&T of the sum of Ten Dollars. This option to purchase the Equipment is personal to the Village and is not assignable.

**3.02. Additional Payments.** The Village shall pay all Additional Payments on a timely basis directly to the person or entity to which such Additional Payments are owed in lawful money of the United States.

**3.03. Prepayment.** At its option on any scheduled Payment Date, the Village may prepay the outstanding principal component of the Amount Advanced (in whole but not in part), and thereby obtain ownership of all the Equipment free of this lease and BB&T's interest in the Equipment, by paying (a) all Additional Payments then due and payable, (b) all interest accrued and unpaid to the prepayment date, and (c) 101% of the outstanding principal component of the Amount Advanced.

**3.04. Late Payments.** If the Village fails to pay any Base Payment when due, the Village shall pay additional interest on the principal component of the late Base Payment at an annual rate equal to the Prime Rate from the original due date.

**3.05. Appropriations.** (a) The Budget Officer shall include in the initial proposal for each of the Village's annual budgets the amount of all Base Payments and estimated Additional Payments coming due during the Fiscal Year to which such budget applies. Notwithstanding that the Budget Officer includes such an appropriation for Required Payments in a proposed budget, the Governing Board may determine not to include such an appropriation in the Village's final budget for such Fiscal Year.

(b) The Budget Officer shall deliver to BB&T, within 15 days after the beginning of each Fiscal Year, a certificate stating whether an amount equal to the Base Payments and estimated Additional Payments coming due during the next Fiscal Year has been appropriated by the Village in such budget for such purposes.



(c) The actions required of the Village and its officers pursuant to this Section shall be deemed to be and shall be construed to be in fulfillment of ministerial duties, and it shall be the duty of each and every Village official to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the Village to carry out and perform the actions required pursuant to this Section and the remainder of this Agreement to be carried out and performed by the Village.

(d) The Village reasonably believes that it can obtain funds sufficient to pay all Required Payments when due.

(e) The Village acknowledges and agrees that the nonappropriation provisions of this Agreement are not intended to be used (i) as a substitute for convenience termination nor (ii) to allow the Village to replace the Equipment with other substantially identical or functionally equivalent property. The Village, to the extent permitted by law, agrees not to use the nonappropriation provisions for any such purpose.

**3.06. No Abatement.** There shall be no abatement or reduction of the Required Payments for any reason, including, but not limited to, any defense, recoupment, setoff, counterclaim, or any claim (real or imaginary) arising out of or related to the Equipment, except as expressly provided in this Agreement. The Village assumes and shall bear the entire risk of loss and damage to the Equipment from any cause whatsoever. The Base Payments shall be made in all events unless the Village's obligation to make Base Payments is terminated as otherwise provided in this Agreement.

**3.07. Interest Rate and Payment Adjustment.** (a) "Rate Adjustment Event" means any action by the Internal Revenue Service (including the delivery of a deficiency notice) or any other federal court or administrative body determining that the interest component of Base Payments, or any portion thereof, is includable in any counterparty's gross income for federal income tax purposes or as a result of any misrepresentation by the Village or as a result of any action the Village takes or fails to take.

(b) Upon any Rate Adjustment Event, (i) the unpaid principal portion of the Amount Advanced shall continue to be payable on dates and in amounts as set forth in Exhibit B, but (ii) the interest components of the Base Payments shall be recalculated, at an interest rate equal to an annualized interest rate equal to the Prime Rate plus 2% (200 basis points), to the date (retroactively, if need be) determined pursuant to the Rate Adjustment Event to be the date interest became includable in any counterparty's gross income for federal income tax purposes.

(c) The Village shall pay interest at such adjusted rate (subject to credit for interest previously paid) to each affected counterparty, notwithstanding the fact that any particular counterparty may not be a counterparty to this Agreement on the date of a Rate Adjustment Event. The Village shall additionally pay to all affected counterparties any interest, penalties or other charges assessed against or payable by such counterparty and attributable to a Rate Adjustment Event notwithstanding the prior repayment of the entire Amount Advanced or any transfer to another counterparty.

## ARTICLE IV

### LESSEE'S' COVENANTS, REPRESENTATIONS AND WARRANTIES

**4.01. Indemnification.** To the extent permitted by law, the Village shall indemnify, protect and save BB&T and its officers and directors harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including attorneys' fees, arising out of, connected with, or resulting directly or indirectly from the Equipment or the transactions contemplated by this Agreement, including without limitation the possession, condition or use of the Equipment. The indemnification arising under this Section shall survive the Agreement's termination.

**4.02. Covenant as to Tax Exemption.** (a) The Village shall not take or permit, or omit to take or cause to be taken, any action that would cause its obligations under this Agreement to be "arbitrage bonds" or "private activity bonds" within the meaning of the Code, or otherwise adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Base Payments to which such components would otherwise be entitled. If the Village should take or permit, or omit to take or cause to be taken, any such action, the Village shall take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.

(b) In particular, the Village covenants that it shall not permit the Amount Advanced, plus the investment earnings thereon (the "Proceeds"), to be used in any manner that would result in 5% or more of the Base Payments being directly or indirectly secured by an interest in property, or derived from payments in respect of property or borrowed money, being in either case used in a trade or business carried on by any person other than a governmental unit, as provided in Code Section 141(b), or result in 5% or more of the Proceeds being used directly or indirectly to make or finance loans to any persons other than a governmental unit, as provided in Code Section 141(c); provided, however, that if the Village receives a Bond Counsel Opinion that compliance with any such covenant is not required to prevent the interest components of Base Payments from being includable in the counterparty's gross income for federal income tax purposes under existing law, the Village need not comply with such covenant.

(c) Unless the Village qualifies for one or more exceptions to the arbitrage rebate requirement with respect to this financing, the Village shall provide for the rebate to the United States of (i) at least 90% of the required rebate amount (A) on or before 60 days after the date that is five years from the Closing Date, and (B) at least once during each five years thereafter while the Obligations remain outstanding, and (ii) the entire required rebate amount on or before 60 days after the date of final payment of the Obligations. Payments shall be made in the manner prescribed by the Internal Revenue Service. The Village shall cause the required rebate amount to be recomputed as of each fifth anniversary of the Closing Date, and again as of the date of final payment of the Obligations. The Village shall provide BB&T with a copy of the results of such computation within 20 days after the end of each computation period or final payment of the Obligations. Each

computation shall be prepared or approved, at the Village's expense, by a person with experience in matters of accounting for federal income tax purposes, a bona fide arbitrage rebate calculating and reporting service, or nationally-recognized bond counsel, in any case reasonably acceptable to BB&T. The Village shall engage such rebate consultant to perform the necessary calculations not less than 60 days prior to the date of the required payment.

(d) The Village acknowledges that its personnel must be familiar with the arbitrage rebate rules, because the tax-exempt status of the interest on the Obligations depends upon continuing compliance with such rules. The Village therefore covenants to take all reasonable action to assure that Village personnel responsible for the investment of and accounting for financing proceeds comply with such rules.

**4.03. Validity of Organization and Acts.** The Village is validly organized and existing under State law, has full power to enter into this Agreement and has duly authorized and has obtained all required approvals and all other necessary acts required prior to the execution and delivery of this Agreement. This Agreement is a valid, legal and binding obligation of the Village.

**4.04. Maintenance of Existence.** The Village shall maintain its existence, shall continue to be a local governmental unit of the State, validly organized and existing under State law, and shall not consolidate with or merge into another local governmental unit of the State, or permit one or more other local governmental units of the State to consolidate with or merge into it, unless the local governmental unit thereby resulting assumes the Village's obligations under this Agreement.

**4.05. Acquisition of Permits and Approvals.** All permits, consents, approvals or authorizations of all governmental entities and regulatory bodies, and all filings and notices required on the Village's part to have been obtained or completed as of today in connection with the authorization, execution and delivery of this Agreement, the consummation of the transactions contemplated by this Agreement and the acquisition and installation of the Equipment have been obtained and are in full force and effect, and there is no reason why any future required permits, consents, approvals, authorizations or orders cannot be obtained as needed.

**4.06. No Breach of Law or Contract.** Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated by this Agreement, nor the fulfillment of or compliance with the terms and conditions of this Agreement, (a) to the best of the Village's knowledge, constitutes a violation of any provision of law governing the Village or (b) results in a breach of the terms, conditions or provisions of any contract, agreement or instrument or order, rule or regulation to which the Village is a party or by which the Village is bound.

**4.07. No Litigation.** There is no litigation or any governmental administrative proceeding to which the Village (or any official thereof in an official capacity) is a party that is pending or, to the best of the Village's knowledge after reasonable investigation, threatened with respect to (a) the Village's organization or existence, (b) its authority to execute and deliver this Agreement or to comply with the terms of this Agreement, (c) the validity or enforceability of this Agreement or the transactions contemplated by this Agreement, (d) the title to office of any Governing Board member or any other Village officer, (e) any authority or proceedings relating to the Village's execution or

delivery of this Agreement, or (f) the undertaking of the transactions contemplated by this Agreement.

**4.08. No Current Default or Violation.** (a) The Village, to the best of its knowledge, is not in violation of any existing law, rule or regulation applicable to it, (b) the Village is not in default under any contract, other agreement, order, judgment, decree or other instrument or restriction of any kind to which the Village is a party or by which it is bound or to which any of its assets are subject, including this Agreement, and (c) no event or condition has happened or existed, or is happening or existing, under the provisions of any such instrument, including this Agreement, which constitutes or which, with notice or lapse of time, or both, would constitute an event of default hereunder or thereunder.

**4.09. No Misrepresentation.** No representation, covenant or warranty by the Village in this Agreement is false or misleading in any material respect.

**4.10. Environmental Warranties and Indemnification.** (a) The Village warrants and represents to BB&T that, to the best of the Village's knowledge after thorough investigation, the Equipment is not now and has not ever been used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials.

(b) The Village covenants that the Equipment shall be kept free of Hazardous Materials and shall not be used to generate, manufacture, refine, transport, treat, store, handle, dispose, transfer, produce or process Hazardous Materials, except in connection with the normal maintenance and operation of the Equipment, and the Village shall not cause or permit, as a result of any intentional or unintentional act or omission on the part of the Village or any lessee, the release of Hazardous Materials onto the Equipment or suffer the presence of Hazardous Materials on the Equipment, except in connection with the normal maintenance and operation of the Equipment.

(c) The Village shall comply with, and ensure compliance by all users and lessees with, all applicable federal, State and local laws, ordinances, rules and regulations with respect to Hazardous Materials and shall keep the Equipment free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations. If the Village receives any notices from any governmental agency or any lessee with regard to Hazardous Materials on, from or affecting the Equipment, the Village shall immediately notify BB&T. The Village shall conduct and complete all investigations, studies, sampling and testing and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on, from or affecting the Equipment in accordance with all applicable federal, State and local laws, ordinances, rules, regulations and policies and to BB&T's satisfaction.

(d) "Hazardous Materials" means any explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances, or related materials, asbestos or any materials containing asbestos, or any other substance or material as defined by any federal, State or local environmental law, ordinance, rule or regulation including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended

(42 U.S.C. sections 9601 et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. sections 1801 et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. sections 9601 et seq.), and the regulations adopted and publications promulgated pursuant thereto.

(e) To the extent permitted by law, the Village shall indemnify and hold BB&T harmless from and against (i) any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against BB&T as a direct or indirect result of any warranty or representation made by the Village in subsections (a) through (c) above being false or untrue in any material respect, or (ii) any requirement under any law, regulation or ordinance, local, State or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by BB&T or the Village or any transferee or assignee BB&T or the Village.

(f) The Village's obligations under this Section shall continue in full force and effect notwithstanding full payment of the Required Payments under this Agreement.

**4.11. Further Instruments.** Upon BB&T's request, the Village shall execute, acknowledge and deliver such further instruments reasonably necessary or desired by BB&T to carry out more effectively the purposes of this Agreement or any other document related to the transactions contemplated by this Agreement, and all or any part of the Equipment intended to be given or conveyed hereunder or thereunder, whether now given or conveyed or acquired and conveyed subsequent to the date of this Agreement.

**4.12. BB&T's Advances for Performance of Village's Obligations.** If the Village fails to perform any of its obligations under this Agreement, BB&T is hereby authorized, but not obligated, to perform such obligation or cause it to be performed. All expenditures incurred by BB&T (including any advancement of funds for payment of taxes, insurance premiums or other costs of maintaining the Equipment, and any associated legal or other expenses), together with interest thereon at the Prime Rate, shall be secured as Additional Payments under this Agreement. The Village promises to pay all such amounts to BB&T immediately upon demand.

**4.13. Equipment Will Be Used and Useful.** The acquisition and installation of the Equipment is necessary and expedient for the Village, and will perform essential functions of the Village appropriate for units of local government. The Village has an immediate need for, and expects to make immediate use of, all of the Equipment, and does not expect such need or use to diminish in any material respect during the term of the Agreement. The Equipment will not be used in any private business or put to any private business use.

**4.14. Financial Information.** (a) The Village shall send to BB&T a copy of the Village's audited financial statements for each Fiscal Year within 30 days of the Village's acceptance of such statements, but in any event within 270 days of the completion of such Fiscal Year.

(b) The Village shall furnish BB&T, at such reasonable times as BB&T shall request, all other financial information (including, without limitation, the Village's annual budget as submitted or approved) as BB&T may reasonably request. The Village shall permit BB&T or its agents and representatives to inspect the Village's books and records and make extracts therefrom.

**4.15. Taxes and Other Governmental Charges.** The Village shall pay, as Additional Payments, the full amount of all taxes, assessments and other governmental charges lawfully made by any governmental body during the term of this Agreement. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Village shall be obligated to provide for Additional Payments only for such installments as are required to be paid during the Agreement term. The Village shall not allow any liens for taxes, assessments or governmental charges with respect to the Equipment or any portion thereof to become delinquent (including, without limitation, any taxes levied upon the Equipment or any portion thereof which, if not paid, will become a charge on any interest in the Equipment, including BB&T's interest, or the rentals and revenues derived therefrom or hereunder).

**4.16. Village's Insurance.** (a) The Village shall, at its own expense, acquire, carry and maintain broad-form extended coverage property damage insurance with respect to all Equipment in an amount equal to the estimated replacement cost, including installation costs, of the Equipment. Such property damage insurance shall include BB&T as a loss payee. The Village shall provide evidence of such coverage to BB&T promptly upon installation of the Equipment. Any Net Proceeds of the insurance required by this subsection (a) shall be payable as provided in Section 5.14.

(b) The Village shall, at its own expense, acquire, carry and maintain comprehensive general liability insurance (and auto liability insurance, if applicable) in an amount not less than \$1,000,000 for personal injury or death and \$1,000,000 for property damage.

(c) The Village shall also maintain workers' compensation insurance issued by a responsible carrier authorized under State law to insure the Village against liability for compensation under applicable State law as in effect from time to time.

(d) All insurance shall be maintained with generally recognized responsible insurers and may carry reasonable deductible or risk-retention amounts. All such policies shall be deposited with BB&T, provided that in lieu of such policies there may be deposited with BB&T a certificate or certificates of the respective insurers attesting the fact that the insurance required by this Section is in full effect. Prior to the expiration of any such policy, the Village shall furnish BB&T evidence satisfactory to BB&T that the policy has been renewed or replaced or is no longer required by this Agreement.

(e) No Village agent or employee shall have the power to adjust or settle any property damage loss greater than \$50,000 with respect to the Equipment, whether or not covered by insurance, without BB&T's prior written consent.

(f) BB&T shall not be responsible for the sufficiency or adequacy of any required insurance and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by BB&T.

(g) The Village shall deliver to BB&T annually by June 30 of each year a certificate stating that the risk coverages required by this Agreement are in effect, and stating the carriers, policy numbers, coverage limits and deductible or risk-retention amounts for all such coverages.

## **ARTICLE V**

### **THE EQUIPMENT**

**5.01. Acquisition and Installation.** The Village shall comply with all provisions of law applicable to the acquisition of the Equipment, accept all portions of the Equipment when properly delivered, provide for the proper installation thereof and thereafter promptly place each such portion in service.

**5.02. Changes in Location.** The Village shall promptly inform BB&T if any component of the Equipment shall be moved from the location designated for such Equipment at the time of its acquisition.

**5.03. Acquisition and Installation within Funds Available.** The Village represents that, based upon its examination of the plans and specifications for the Equipment, estimated installation costs and the Equipment's anticipated configuration, the Equipment can be acquired and installed for a total price within the total amount of funds to be available therefore in the Project Fund, income anticipated to be derived from the investment thereof and other funds previously identified and designated for such purposes. If the total amount available for such purposes in the Project Fund shall be insufficient to pay the entire cost of acquiring and installing the Equipment, the Village promises to pay any such excess costs, with no resulting reduction or offset in the amounts otherwise payable by the Village under this Agreement.

**5.04. Disclaimer of Warranties.** The Village agrees that BB&T has not designed the Equipment, that BB&T has not supplied any plans or specifications with respect thereto and that BB&T (a) is not a manufacturer of, nor a dealer in, any of the component parts of the Equipment or similar Equipment, (b) has not made any recommendation, given any advice nor taken any other action with respect to (i) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Equipment or any component part thereof or any property or rights relating thereto, or (ii) any action taken or to be taken with respect to the Equipment or any component part thereof or any property or rights relating thereto at any stage of the acquisition, installation and equipping thereof, (c) has not at any time had physical possession of the Equipment or any component part thereof or made any inspection thereof or of any property or rights relating thereto, and (d) has not made any warranty or other representation, express or implied, that the Equipment or any component part thereof or any property or rights relating thereto (i) will not result in or cause

injury or damage to persons or property, (ii) has been or will be properly designed, or will accomplish the results which the Village intends therefore, or (iii) is safe in any manner or respect.

BB&T MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT OR ANY COMPONENT PART THEREOF, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION WITH RESPECT TO THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE, and further including the design or condition thereof; the safety, quality or capacity thereof; compliance thereof with the requirements of any law, rule, specification or contract pertaining thereto; any latent defect; the Equipment's ability to perform any function; that the Amount Advanced will be sufficient to pay all costs of the acquisition and installation of the Equipment; or any other characteristic of the Equipment; it being agreed that the Village is to bear all risks relating to the Equipment, the installation thereof and the transactions contemplated by this Agreement, and the Village hereby waives the benefits of any and all implied warranties and representations of BB&T.

The provisions of this Section shall survive the Agreement's termination.

**5.05. Right of Entry and Inspection.** BB&T and its representatives and agents shall have the right to enter upon the Village's property and inspect the Equipment from time to time during installation and after the completion of installation, and the Village shall cause any vendor, contractor or sub-contractor to cooperate with BB&T and its representatives and agents during such inspections.

No right of inspection or approval granted in this Section shall be deemed to impose upon BB&T any duty or obligation whatsoever to undertake any inspection or to make any approval. No inspection made or approval given by BB&T shall be deemed to impose upon BB&T any duty or obligation whatsoever to identify or correct any defects in the Equipment or to notify any person with respect thereto, and no liability shall be imposed upon BB&T, and no warranties (either express or implied) are made by BB&T as to the quality or fitness of any improvement, any such inspection and approval being made solely for BB&T's benefit.

**5.06. Compliance with Requirements.** (a) The Village shall cause the Equipment to be installed in a careful manner and in compliance with all applicable legal requirements.

(b) The Village shall observe and comply promptly with all current and future requirements relating to the Equipment's use or condition imposed by (i) any judicial, governmental or regulatory body having jurisdiction over the Equipment or any portion thereof or (ii) any insurance company writing a policy covering the Equipment or any portion thereof, whether or not any such requirement shall necessitate structural changes or improvements or interfere with the use or enjoyment of the Equipment.

(c) The Village shall obtain and maintain in effect all licenses and permits required for the Equipment's operation.



(d) The Village shall in no event use the Equipment or any part thereof, nor allow the same to be used, for any unlawful purpose, or suffer any act to be done or any condition to exist with respect to the Equipment or any part thereof, nor any article to be brought thereon, which may be dangerous, unless safeguarded as required by law, or which may, in law, constitute a nuisance, public or private, or which may make void or voidable any insurance then in force with respect thereto.

**5.07. Use and Operation.** The Village shall use and operate the Equipment and related property as a municipal vehicles, and for no other purpose unless required by law. The Village shall be solely responsible for the Equipment's operation, and shall not contract with any other person or entity for the Equipment's operation.

**5.08. Maintenance and Repairs; Additions.** (a) The Village shall keep the Equipment in good order and repair (reasonable wear and tear excepted) and in good operating condition, shall not commit or permit any waste or any other thing to occur whereby the value or usefulness of the Equipment might be impaired, and shall make from time to time all necessary or appropriate repairs, replacements and renewals.

(b) The Village may, also at its own expense, make from time to time any additions, modifications or improvements to the Equipment that it may deem desirable for its governmental or proprietary purposes and that do not materially impair the effective use, nor materially decrease the value or substantially alter the intended use, of the Equipment. The Village shall do, or cause to be done, all such things as may be required by law in order fully to protect the interests of and all of BB&T's rights under this Agreement.

(c) Any and all additions to or replacements of the Equipment and all parts thereof shall constitute accessions to the Equipment and shall be subject to all the terms and conditions of this Agreement and included in the "Equipment" for the purposes of this Agreement.

(d) Notwithstanding the provisions of subsection (c) above, however, the Village may, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in or on the Equipment. All such property shall remain the Village's sole property in which BB&T shall have no interest; provided, however, that any such property which becomes permanently affixed to the Equipment shall be subject to BB&T's interest arising under this Agreement if BB&T shall reasonably determine that the Equipment would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

**5.09. Security.** The Village shall take all reasonable steps necessary to safeguard the Equipment against theft. The security afforded the Equipment shall at all times be equal to or better than the security afforded the Village's personal property that is not subject to this Agreement.

**5.10. Utilities.** The Village shall pay all charges for utility services furnished to or used on or in connection with the Equipment.

**5.11. Risk of Loss.** The Village shall bear all risk of loss to and condemnation of the Equipment.

**5.12. Condemnation.**

(a) The Village shall immediately notify BB&T if any governmental authority shall institute, or shall notify the Village of any intent to institute, any action or proceeding for the taking of, or damages to, all or any part of the Equipment or any interest therein under the power of eminent domain, or if there shall be any damage to the Equipment due to governmental action, but not resulting in a taking of any portion of the Equipment. The Village shall file and prosecute its claims for any such awards or payments in good faith and with due diligence and cause the same to be collected and paid over to BB&T, and to the extent permitted by law hereby irrevocably authorizes and empowers BB&T, in the Village's name or otherwise, to collect and receipt for any such award or payment and to file and prosecute such claims. If the Village receives any Net Proceeds arising from any such action, the Village shall apply such Net Proceeds as provided in Section 5.14.

(b) If any of the real or personal property acquired or improved by the Village (in whole or in part) using any portion of the Amount Advanced consists of or is located on any real property acquired by the Village through the exercise of the power of eminent domain, or through the threat of the exercise of the power of eminent domain, then during the term of this Agreement the Village may not transfer any interest in such real property to any entity other than a local governmental unit without BB&T's prior express written consent.

**5.13. No Encumbrance, Mortgage or Pledge of Equipment.**

(a) The Village shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien (including mechanics' and materialmen's liens), charge, encumbrance or other claim in the nature of a lien on or with respect to the Equipment. The Village shall promptly, at its own expense, take such action as may be duly necessary to discharge any such mortgage, pledge, lien, charge, encumbrance or claim not excepted above which it shall have created, incurred or suffered to exist.

(b) The Village shall reimburse BB&T for any expense incurred by BB&T to discharge or remove any such mortgage, pledge, lien, security interest, encumbrance or claim, with interest thereon at the Prime Rate.

**5.14. Damage and Destruction; Use of Net Proceeds.** (a) The Village shall promptly notify BB&T if (i) the Equipment or any portion thereof is stolen or is destroyed or damaged by fire or other casualty, (ii) a material defect in the installation of the Equipment shall become apparent, or (iii) title to or the use of all or any portion of the Equipment shall be lost by reason of a defect in title. Each notice shall describe generally the nature and extent of such damage, destruction or taking.

(b) If the Net Proceeds arising from any single event, or any single substantially related sequence of events, is not more than \$50,000, the Village shall retain such Net Proceeds and apply

the same to the prompt completion, repair or restoration of the Equipment, and shall promptly thereafter report to BB&T regarding the use of such Net Proceeds.

(c) If the Net Proceeds arising from any single event, or any single substantially related sequence of events, is more than \$50,000, then the Village shall cause such Net Proceeds to be paid to an escrow agent (which shall be a bank, trust company or similar entity exercising fiduciary responsibilities) designated by BB&T for deposit in a special escrow fund to be held by such escrow agent. The Village shall thereafter provide for the application of all Net Proceeds to the prompt completion, repair or restoration of the Equipment, as the case may be. The escrow agent shall disburse Net Proceeds for the payment of such costs upon receipt of requisitions in the form of Exhibit A to the Project Fund Agreement. If the Net Proceeds shall be insufficient to pay in full the cost of completion, repair or restoration, the Village shall either (i) complete the work and pay any cost in excess of the Net Proceeds, or (ii) not carry out such completion, repair or restoration, and instead apply the Net Proceeds, together with other available funds as may be necessary, to the prepayment of all outstanding Required Payments pursuant to Section 3.03.

(d) Any repair, restoration, modification, improvement or replacement paid for in whole or in part out of Net Proceeds shall be the Village's property and shall be part of the Equipment.

## **ARTICLE VI**

### **DEFAULTS AND REMEDIES; TERMINATION**

**6.01. Events of Default.** An "Event of Default" is any of the following:

- (a) The Village's failing to make any Base Payment when due.
- (b) The Village's breaching or failing to perform or observe any term, condition or covenant of this Agreement or of the Project Fund Agreement on its part to be observed or performed, other than as provided in subsection (a) above, including payment of any Additional Payment, for a period of 15 days after written notice specifying such failure and requesting that it be remedied shall have been given to the Village by BB&T, unless BB&T shall agree in writing to an extension of such time prior to its expiration.
- (c) The institution of proceedings under any bankruptcy, insolvency, reorganization or similar law by or against the Village as a debtor, or the appointment of a receiver, custodian or similar officer for the Village or any of its property, and the failure of such proceedings or appointments to be vacated or fully stayed within 30 days after the institution or occurrence thereof.
- (d) Any warranty, representation or statement made by the Village in this Agreement or in the Project Fund Agreement is found to be incorrect or misleading in any material respect on the Closing Date (or, if later, on the date made).

(e) Any lien, charge or encumbrance affecting the validity of the Agreement, is found to exist, or proceedings are instituted against the Village to enforce any lien, charge or encumbrance against the Equipment .

(f) The Village's failing to pay when due any principal of or interest on any of its general obligation debt.

**6.02. Remedies on Default.** Upon the continuation of any Event of Default, BB&T may, without any further demand or notice, exercise any one or more of the following remedies:

(a) Declare the unpaid principal components of the Base Payments immediately due and payable;

(b) Proceed by appropriate court action to enforce the Village's performance of the applicable covenants of this Agreement or to recover for the breach thereof;

(c) As provided in the Project Fund Agreement, require BB&T to pay over any balance remaining in the Project Fund to be applied against outstanding Required Payments in any manner BB&T may reasonably deem appropriate; and

(d) Avail itself of all available remedies under this Agreement, and recovery of attorneys' fees and other expenses.

**6.03. [Reserved].**

**6.04. Consequences of Nonappropriation.** Upon an Event of Nonappropriation, the Village shall have no further obligation to pay Base Payments beyond the end of the Fiscal Year for which amounts have been appropriated for Base Payments. This Agreement shall terminate on the last day of the Fiscal Year for which amounts have been appropriated for Base Payments without any penalty to the Borrower whatsoever. The Village agrees to peaceably surrender possession the Equipment to BB&T or its assignees on the first day of the Fiscal Year to which the Event of Nonappropriation applies, packed for shipment in accordance with manufacturer specifications and freight prepaid and insured to any location in the continental United States or Canada designated by BB&T.

In addition, upon the occurrence of any Event of Nonappropriation, BB&T may, without any further demand or notice, (a) apply any balance remaining in the Project Fund against outstanding Required Payments in any manner BB&T may reasonably deem appropriate, and (b) take action with respect to the Village and the Equipment as contemplated in Section 6.05. An Event of Nonappropriation and resulting termination of this Agreement shall not relieve the Village of liability for any defaults under this Agreement or the Project Fund Agreement occurring prior to the Event of Nonappropriation, or of liability under those provisions of this Agreement and the Project Fund Agreement which are stated to survive termination.

**6.05. Possession of Equipment.** Upon the continuation of an Event of Default or the occurrence of an Event of Nonappropriation, the Village shall immediately lose the right to possess, use and enjoy the Equipment (but may remain in possession of the Equipment as a lessee at the will of BB&T), and thereupon the Village (a) shall pay monthly in advance to BB&T a fair and reasonable rental value for the use and possession of the Equipment (in an amount BB&T shall determine in its reasonable judgment), and (b) upon BB&T's demand, shall deliver possession of the Equipment to BB&T or, at BB&T's direction, to any purchaser of the Equipment after an execution sale.

In addition, upon the continuation of any Event of Default or the occurrence of an Event of Nonappropriation, BB&T, to the extent permitted by law, is hereby authorized to (i) take possession of the Equipment, with or without legal action, (ii) lease the Equipment, (iii) collect all rents and profits therefrom, with or without taking possession of the Equipment, and (iv) after deducting all costs of collection and administration expenses, apply the net rents and profits first to the payment of necessary maintenance and insurance costs, and then to the Village's account and in reduction of the Village's corresponding Required Payments in such fashion as BB&T shall reasonably deem appropriate. BB&T shall be liable to account only for rents and profits it actually receives.

**6.06. No Remedy Exclusive; Delay Not Waiver.** All remedies under this Agreement are cumulative and may be exercised concurrently or separately. The exercise of any one remedy shall not be deemed an election of such remedy or preclude the exercise of any other remedy. If any Event of Default shall occur and thereafter be waived by BB&T, such waiver shall be limited to the particular breach so waived and shall not be deemed a waiver of any other breach under this Agreement.

**6.07. Payment of Costs and Attorney's Fees.** If BB&T employs an attorney to assist in the enforcement or collection of Required Payments, or if BB&T voluntarily or otherwise shall become a party to any suit or legal proceeding (including a proceeding conducted under any state or federal bankruptcy or insolvency statute) to protect the Equipment, to protect the lien of this Agreement, to enforce collection of the Required Payments or to enforce compliance by the Village with any of the provisions of this Agreement, the Village agrees to pay reasonable attorneys' fees and all of the costs that may reasonably be incurred (whether or not any suit or proceeding is commenced), and such fees and costs (together with interest at the Prime Rate) shall be secured as Required Payments.

## **ARTICLE VII**

### **MISCELLANEOUS**

**7.01. Notices.** (a) Any communication required or permitted by this Agreement must be in writing.

(b) Any communication under this Agreement shall be sufficiently given and deemed given when delivered by hand or five days after being mailed by first-class mail, postage prepaid, addressed as follows:

(i) If to the Village, to 88 West McIntyre Street, Key Biscayne, Florida 33149, Attention: Finance Manager; or

(ii) If to BB&T, to BB&T Governmental Finance, 5130 Parkway Plaza Boulevard, Building 9, Charlotte, North Carolina 28217, Attention: Governmental Finance Account Administration.

(c) Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the others.

**7.02. No Assignments by Village.** The Village shall not sell or assign any interest in this Agreement.

**7.03. Assignments by BB&T.** BB&T may, at any time and from time to time, assign all or any part of its interest in the Equipment or this Agreement, including, without limitation, BB&T's rights to receive Required Payments. Any assignment made by BB&T or any subsequent assignee shall not purport to convey any greater interest or rights than those held by BB&T pursuant to this Agreement.

The Village agrees that this Agreement may become part of a pool of obligations at BB&T's or its assignee's option. BB&T or its assignees may assign or reassign all or any part of this Agreement, including the assignment or reassignment of any partial interest through the use of certificates evidencing participation interests in this Agreement. Notwithstanding the foregoing, no assignment or reassignment of BB&T's interest in the Equipment or this Agreement shall be effective unless and until the Village shall receive a duplicate original counterpart of the document by which such assignment or reassignment is made disclosing the name and address of each such assignee.

The Village further agrees that BB&T's interest in this Agreement may be assigned in whole or in part upon terms which provide in effect that the assignor or assignee will act as a collection and paying agent for BB&T.

The Village agrees to execute any document reasonably required in connection with any assignment. Any assignor must provide notice of any assignment to the Village, and the Village shall keep a complete and accurate record of all assignments as required by the Code. After the giving of any such notice, the Village shall thereafter make all payments in accordance with the notice to the assignee named therein and shall, if so requested, acknowledge such assignment in writing, but such acknowledgment shall in no way be deemed necessary to make the assignment effective.

**7.04. Amendments.** No term or provision of this Agreement may be amended, modified or waived without the prior written consent of the Village and BB&T.

**7.05. Governing Law.** The Village and BB&T intend that Florida State law shall govern this Agreement.

**7.06. Liability of Officers and Agents.** No officer, agent or employee of the Village shall be subject to any personal liability or accountability by reason of the execution of this Agreement or any other documents related to the transactions contemplated by this Agreement. Such officers or agents shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve an officer, agent or employee of the Village from the performance of any official duty provided by law.

**7.07. Severability.** If any provision of this Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Agreement.

**7.08. Non-Business Days.** If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on or before the next preceding Business Day.

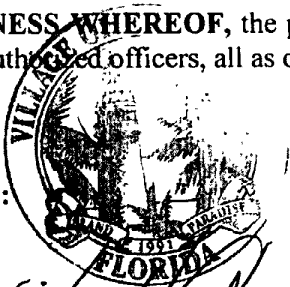
**7.09. Entire Agreement.** This Agreement constitutes the Village's entire agreement with respect to the general subject matter covered by this Agreement.

**7.10. Binding Effect.** Subject to the specific provisions of this Agreement, and in particular Section 7.03, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have duly signed, sealed and delivered this Agreement by duly authorized officers, all as of the date first above written.

(SEAL)

ATTEST:



VILLAGE OF KEY BISCAYNE, FLORIDA

By:

Printed Name:

Title:

By:

Printed Name:

Title:

BRANCH BANKING AND  
TRUST COMPANY

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[Lease Agreement between the Village of Key Biscayne, Florida and Branch Banking and Trust Company]*



**EXHIBIT A -- PROJECT AND EQUIPMENT DESCRIPTION**

Three (3) 2015 Ford Explorer vehicles, as equipped;  
One (1) 2015 Ford Taurus vehicle, as equipped.

## **EXHIBIT B – PAYMENT SCHEDULE**

**Payment Schedule to Lease Agreement dated as of January 13, 2015 (the "Lease Agreement"), between the Village of Key Biscayne, Florida, and Branch Banking and Trust Company**

**Contract Number: 9909000405-00003**

The payments required to repay the advance made pursuant to the Lease Agreement call for an amortization period of approximately four (4) years. Payments are annually in arrears in the amount of \$ 34,132.80. A portion of each payment is paid as and represents payment of interest at an annual interest rate of 1.99%.

Payments are due beginning on January 20, 2016 and annually thereafter, with a final payment of all outstanding principal and accrued and unpaid interest due on January 20, 2019, all as set forth in the attached amortization schedule.

**Bond Debt Service**  
**Village of Key Biscayne, FL    Customer # 9909000405-00003    NAICS 921140**  
**Three 2015 Ford Explorers & One 2015 Ford Taurus    Contract 00003**  
**Dated Date            1/20/2015**  
**Delivery**  
**Date                    1/20/2015**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service	Bond Balance	Total Bond Value
1/20/2015						130,000.00	130,000.00
1/20/2016	31,545.80	1.990%	2,587.00	34,132.80		98,454.20	98,454.20
9/30/2016					34,132.80	98,454.20	98,454.20
1/20/2017	32,173.56	1.990%	1,959.24	34,132.80		66,280.63	66,280.63
9/30/2017					34,132.80	66,280.63	66,280.63
1/20/2018	32,813.82	1.990%	1,318.98	34,132.80		33,466.81	33,466.81
9/30/2018					34,132.80	33,466.81	33,466.81
1/20/2019	33,466.81	1.990%	665.99	34,132.80			
9/30/2019					34,132.80		
	130,000.00		6,531.21	136,531.21	136,531.21		

## **PROJECT FUND AGREEMENT**

**THIS PROJECT FUND AGREEMENT** is dated as of January 13, 2015, and is by and between the **VILLAGE OF KEY BISCAIYNE, FLORIDA**, a public body of the State of Florida (the "Village"), and **BRANCH BANKING AND TRUST COMPANY ("BB&T")**.

### **RECITALS**

The Village is, simultaneously with the execution and delivery of this Project Fund Agreement, executing and delivering a Lease Agreement dated as of January 13, 2015 (the "Lease Agreement"), by and between the Village and BB&T. The purpose of the Lease Agreement is to provide for BB&T's advance of \$130,000.00 to the Village to finance the Village's acquisition of equipment, as defined in the Lease Agreement. In partial consideration for BB&T's entering into the Lease Agreement, the Village has agreed to provide for financing proceeds to be deposited and disbursed pursuant to this Project Fund Agreement.

**NOW, THEREFORE**, the parties agree as follows:

### **SECTION 1. DEFINITIONS**

In this Project Fund Agreement, the term "*Project Costs*" means all costs of the design, planning, acquiring, installing of the Equipment as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Installment Payments payable by the Village under the Lease Agreement, including (a) sums required to reimburse the Village or its agents for advances made for any such costs, (b) interest during the installation process and for up to six months thereafter, and (c) all costs related to the financing of the Equipment through the Lease Agreement and all related transactions.

In addition, any capitalized terms used in this Project Fund Agreement and not otherwise defined shall have the meanings assigned thereto in the Lease Agreement.


### **SECTION 2. PROJECT FUND.**

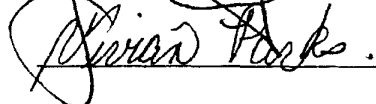
**2.1. Project Fund.** On the Closing Date, BB&T will deposit \$130,000.00 into a special account of the Village at Branch Banking and Trust Company to be designated "2015-00003 Village of Key Biscayne, Florida Project Fund" (the "Project Fund"). This account shall be held separate and apart from all other funds of the Village. The Project Fund is the Village's property, but the Village will withdraw amounts on deposit in the Project Fund only as provided in this Project Fund Agreement and only for application from time to time to the payment of Project Costs. Pending such application, such amounts shall be subject to a lien and charge in favor of BB&T to secure the Village's obligations under the Lease Agreement.

**2.2. Requisitions from Project Fund.** The Village may withdraw funds from the Project Fund only after authorization from BB&T. BB&T will disburse funds from the Project Fund only to the Village and only upon its receipt of one or more written requisitions signed by one of the below listed designated Village Representatives substantially in the form of Exhibit A.

John C. Gilbert

VIVIAN PARKS

  
John C. Gilbert

  
Vivian Parks

The Village may designate additional Representatives to sign requisitions upon written notification to BB&T.

Upon receipt of a requisition from the Village, BB&T will promptly undertake such review of the matters referred to in such requisition as it shall deem appropriate, and will then promptly notify the Village of its approval of the requisition or the reasons for its disapproval.

**2.3. Disposition of Project Fund Balance.**

(a) **Upon completion** – Promptly after the acquisition and installation of the Equipment has been completed, the Village shall deliver to BB&T a certificate to such effect signed by a Village Representative.

(b) **Upon default** – Upon the occurrence of an Event of Default, BB&T may withdraw any balance remaining in the Project Fund and apply such balance against outstanding Required Payments in any manner BB&T may reasonably deem appropriate.

(c) **Upon Nonappropriation** - Upon the occurrence of an Event of Nonappropriation, BB&T may, without demand or notice, apply any balance remaining in the Project Fund against outstanding Required Payments in any manner BB&T may reasonably deem appropriate.

(d) **After delay or inactivity** – If (i) more than two years have elapsed from the Closing Date or (ii) at least six months has passed from BB&T's most recent receipt of a requisition for Project Costs, then BB&T, upon 30 days' notice from BB&T to the Village, may withdraw any balance remaining in the Project Fund and apply such balance against outstanding Required Payments.

(e) **Application of Project Fund balance** -- BB&T will apply any amounts paid to it pursuant to this section (i) first against all Additional Payments then due and payable, (ii) then to interest accrued and unpaid to the disposition date of the Project Fund. Such prepayment, however, will not affect any other Village payment obligation under the Lease Agreement. BB&T will notify

the Village of any withdrawal from the Project Fund made under this Section 2.3, and in the notice will describe its application of the funds withdrawn.

**2.4. Investment.** (a) The Village and BB&T agree that money in the Project Fund will be continuously invested and reinvested in a public funds money rate savings account.

(b) From and after the date that is three years from the Closing Date, the Village will not purchase or hold any investment which has a "yield," as determined under the Code, in excess of the "yield" on the Village's obligations under the Lease Agreement, unless the Village has supplied BB&T with a Bond Counsel Opinion to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes to which the interest components of Installment Payments would otherwise be entitled.

(c) Investment obligations acquired with money in the Project Fund shall be deemed at all times to be part of the Project Fund. The interest accruing thereon and any profit or loss realized upon the disposition or maturity of any such investment shall be credited to or charged against the Project Fund.

(d) All earnings on moneys in the Project Fund must be used for Project Costs.

### **SECTION 3. MISCELLANEOUS.**

**3.1. Notices.** Any notice or other communication required or contemplated by this Project Fund Agreement shall be deemed to be delivered if in writing, addressed as provided below and if (a) actually received by such addressee, or (b) in the case of mailing, when indicated to have been delivered by a signed receipt returned by the United States Postal Service after deposit in the United States mails, postage and registry fees prepaid, and clearly directed to be transmitted as registered or certified mail:

(i) If intended for the Village, addressed to it at the following address: Village Manager, 88 W. McIntyre Street, Key Biscayne, FL 33149,

(ii) If intended for BB&T, addressed to it at the following address: BB&T Governmental Finance, Attention: Account Administration/Municipal – Project Fund Agreement Notice, 5030 Parkway Plaza Boulevard, Building 9, Charlotte, North Carolina 28217.

Any party may designate a different or alternate address for notices by notice given under this Project Fund Agreement.

**3.2. Survival of Covenants and Representations.** All covenants, representations and warranties made by the Village in this Project Fund Agreement and in any certificates delivered pursuant to this Project Fund Agreement shall survive the delivery of this Project Fund Agreement.

**3.3. Choice of Law.** The parties intend that Florida law shall govern this Project Fund Agreement.

3.4. **Amendments.** This Project Fund Agreement may not be modified or amended unless such amendment is in writing and signed by BB&T and the Village .

3.5. **No Third-Party Beneficiaries.** There are no parties intended to be or which shall be deemed to be third-party beneficiaries of this Project Fund Agreement.

3.6. **Successors and Assigns.** All of the covenants and conditions of this Project Fund Agreement shall be binding upon and inure to the benefit of the parties to this Project Fund Agreement and their respective successors and assigns.

3.7. **Severability.** If any court of competent jurisdiction shall hold any provision of this Project Fund Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Project Fund Agreement.

3.8. **Counterparts.** This Project Fund Agreement may be executed in any number of counterparts, including separate counterparts, each executed counterpart constituting an original but all together only one agreement.

3.9. **Termination.** Except as otherwise provided in this Project Fund Agreement, this Project Fund Agreement shall cease and terminate upon payment of all funds (including investment proceeds) from the Project Fund.

*[The remainder of this page has been left blank intentionally; signature page follows]*

IN WITNESS WHEREOF, each of the parties has caused this Project Fund Agreement to be signed and delivered by a duly authorized officer, all as of the date first above written.

SEAL

VILLAGE OF KEY BISCAYNE, FLORIDA

ATTEST

By:  

By: 

Printed Name: Genettita H. Alvarez

Name: John C. Gilbert

Title: Village Clerk

Title: Village Manager

**BRANCH BANKING AND TRUST COMPANY**

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

*[Project Fund Agreement dated as of January 13, 2015]*



**EXHIBIT A**

***[To Be Prepared on Village of Key Biscayne, Florida's Letterhead for Submission]***

**PROJECT FUND REQUISITION**

[DATE]

Trina Britt  
BB&T Governmental Finance      direct dial: 704-954-1873    fax: 704-954-1799

**E-mail requisitions to: [GFProjectfunds@bbandt.com](mailto:GFProjectfunds@bbandt.com)**

RE:    Request for disbursement of funds from the Project Fund related to Contract No. 9909000405-00003 with the Village of Key Biscayne, Florida, dated January 13, 2015.

Dear Ms. Britt,

Pursuant to the terms and conditions of the Project Fund Agreement dated as of January 13, 2015, the Village of Key Biscayne, Florida (the "Village"), requests the disbursement of funds from the Project Fund established under the Project Fund Agreement for the following Project Costs:

This is requisition number \_\_\_\_ from the Project Fund.

**Disbursements will be to the Village of Key Biscayne, Florida.**

Amount of Request:

**Attach the following to this requisition**

- **Copies of vendor invoices;**
- **copies of the vehicle certificates of origin**
- **Copy of Certificate of Insurance showing:**
  - **automobile liability and property coverage with BB&T Governmental Finance listed as loss payee and certificate holder;**
  - **year, make model, VIN number and insured value of vehicles;**
  - **loan contract number 9909000405-00003.**

Project Description: Three 2015 Ford Explorers, as equipped; One 2015 Ford Taurus, as equipped

**Location of Facilities:**

**To receive funds via wire transfer, please include:**

**ABA Routing Number:**

**Account Number:**

**Physical address of Village:**

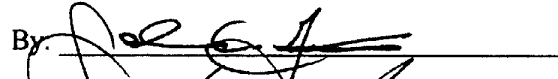
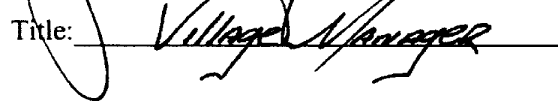
**The Village of Key Biscayne, Florida makes this requisition pursuant to the following representations:**

- 1. The Village has appropriated in its current fiscal year funds sufficient to pay the Base Payments and estimated Additional Payments due in the current fiscal year.**
- 2. The purpose of this disbursement is for partial payment on the project provided for under the Contract referenced above.**
- 3. The requested disbursement has not been subject to any previous requisition.**
- 4. No notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable herein to any of the persons, firms or corporations named herein has been received, or if any notice of any such lien, attachment or claim has been received, such lien, attachment or claim has been released or discharged or will be released or discharged upon payment of this requisition.**
- 5. This requisition contains no items representing payment on account of any percentage entitled to be retained on the date of this requisition.**
- 6. No Event of Default is continuing under the Lease Agreement, and no event or condition is existing which, with notice or lapse of time or both, would become an Event of Default.**
- 7. The Village has in place insurance on this portion of the Equipment that complies with the insurance provisions of the above-referenced Contract.**

**Each amount requested for payment in this requisition either (a) represents reimbursement to the Village for a Project Cost expenditure previously made, or (b) will be used by the Village promptly upon the receipt of funds from BB&T to make the payments to third parties described in this requisition.**

Attached is evidence that the amounts shown in this requisition are properly payable at this time, such as bills, receipts, invoices, architects' payment certifications or other appropriate documents.

**VILLAGE OF KEY BISCAYNE, FLORIDA**


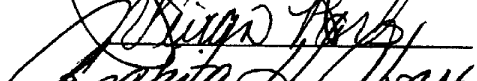

By:   
Title:  Village Manager

### CLOSING CERTIFICATE

The undersigned officers of the Village of Key Biscayne, Florida (the "Village"), hereby certify as follows:

1. On January 13, 2015, the Village's governing board (the "Board") adopted the attached resolution (the "Resolution"), authorizing and providing for a lease financing with Branch Banking and Trust Company. The Resolution was duly adopted at a meeting duly called and held at which a quorum was present and acting throughout. The Resolution has not been repealed, revoked, rescinded or amended, but remains in full effect as of today. A copy of the Resolution is attached hereto.

2. The signatures set forth below are the true and genuine signatures of the persons holding the indicated offices. The indicated persons have held such offices at all times since the Resolution was adopted.

<u>Printed Name</u>	<u>Title</u>	<u>Signature</u>
<u>John C. Filbert</u>	Village Manager	
<u>VIVIAN PARKS</u>	Finance Director	
<u>CONCHITA H. ALVAREZ</u>	Clerk	

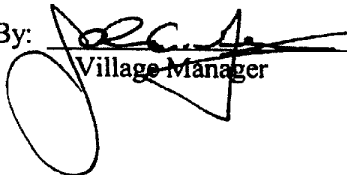
3. The Village's Attorney is Weiss, Serota Helfman Cole Bierman & Popok, P.L.

4. The Village has duly authorized, executed and delivered the Lease Agreement and the Project Fund Agreement provided for by the Resolution. We have reviewed the Village's representations as set forth in such Agreements, and all of such representations are correct and complete in all material respects as if made today.

5. The seal impressed below is the Village's official seal, and has been the Village's official seal since prior to the adoption of the Resolution.

WITNESS our signatures and the seal of the Village of Key Biscayne, Florida, this 13th day of January, 2015.


By:

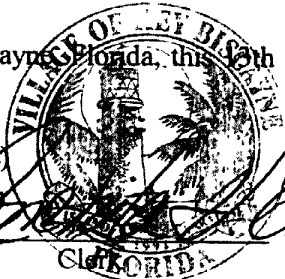
  
Village Manager

By:

  
Finance Director

By:

  
Clerk

(SEAL) 

## **USE OF PROCEEDS CERTIFICATE**

The undersigned Village Manager of the Village of Key Biscayne, Florida (the "Village"), is among the Village officers charged with responsibility for the Village's entering into a Lease Agreement dated as of January 13, 2015 (the "Agreement"), with Branch Banking and Trust Company ("BB&T"). This Certificate is delivered as part of the official record of the proceedings for the delivery of the Agreement. I am executing and delivering this Certificate on behalf of the Village to set forth in good faith the Village's reasonable expectations concerning the use and investment of financing proceeds and other related matters, in order to assure that interest on the Obligations, as defined below, will be excluded from gross income for federal income tax purposes. I understand that I have an obligation to make the representations in this Certificate both correct and complete.

All capitalized terms used in this Certificate and not otherwise defined have the meanings assigned to such terms under the Treasury Regulations applicable to tax-exempt bonds.

### **PURPOSE OF AGREEMENT**

1. The Village is executing and delivering the Agreement today to provide funds to finance the acquisition and installation (the "Project") of four police vehicles (the "Equipment"), and to pay certain financing costs. BB&T will advance funds to the Village pursuant to the Agreement for the Project. BB&T is entering into the Agreement for its own account with no current intention of reselling its rights under the Agreement or any interest therein, except that BB&T may make an assignment of payment rights to an affiliate, in whole, at par and without recourse.

### **PROCEEDS; PAYMENT OBLIGATIONS**

2. (a) BB&T will today pay directly to the Village the full principal amount to be advanced under the Agreement of \$130,000.00 (the "Proceeds").

(b) Under the Agreement, the Village is obligated to pay Base Payments, as defined in the Agreement, on the dates and in the amounts set forth in the Agreement (the Village's obligations to pay Base Payments are referred to in this Certificate as the "Obligations"), subject to prepayment as provided in the Agreement.

(c) The Base Payments reflect the repayment of the Proceeds and include a designated interest component corresponding to an annual interest rate of 1.99%. The Village does not expect to prepay any of the Obligations prior to the scheduled payment dates.

### **USE OF PROCEEDS; REIMBURSEMENT**

3. (a) All of the Proceeds and all investment earnings thereon will be used to pay Project Costs, including costs incurred in connection with the execution and delivery of the Agreement and interest on the Obligations during the Project period.

(b) All of such costs will be incurred and expenditures made subsequent to today, except for reimbursement to the Village for amounts (i) paid not more than 60 days prior to today, (ii) representing engineering, design and similar preliminary expenses in an aggregate amount not exceeding 20% of the principal amount of the Obligations, or (iii) otherwise in an amount not exceeding 5% percent of the Proceeds.

(c) All expenditures to be reimbursed occurred not more than 18 months prior to today. None of the Equipment was placed in service more than one year before today.

(d) All of the costs to be paid or reimbursed from Proceeds will be Capital Expenditures, and none will be Working Capital Expenditures. No portion of the Gross Proceeds will be used, directly or indirectly, to make or finance loans to two or more ultimate borrowers.

### **QUALIFICATION FOR TEMPORARY PERIOD**

4. Work on the Project will begin, or did begin, on or about N/A. Work on the Project will proceed with due diligence, and the Equipment will be placed in service beginning on or about January 15, 2015. Within 90 days of today (if it has not already done so), the Village will enter into substantial binding obligations to third parties to spend the Proceeds on Project Costs that are capital expenditures in an amount exceeding 5% of the amount financed. The Village estimates that all the Proceeds and all the investment earnings thereon will be fully expended within two months from today.

### **INVESTMENT PROCEEDS**

5. (a) Any earnings or net profit derived from the investment of the Proceeds will be used to pay additional Project Costs or interest on the Obligations not later than the date that is the later of (i) three years from today or (ii) twelve months from the date of the receipt of such earnings.

(b) After the date that is three years from today, the Village will not invest any of the Gross Proceeds at a Yield in excess of the Yield on the Obligations.

(c) No investment will be acquired or disposed of at a cost or price that exceeds its Fair Market Value as of the acquisition date, or which is less than its Fair Market Value as of the disposition date. No portion will be invested in any investment as to which the economic return is substantially guaranteed for more than three years.

(d) No portion of the Gross Proceeds will be used, directly or indirectly, to replace funds that the Village used (directly or indirectly) to acquire securities or obligations producing (or expected to produce) a Yield higher than the Yield on the Obligations.

#### **NO OVER-ISSUANCE OR EXCESSIVE MATURITY**

6. (a) The sum of the Proceeds and the reasonably expected investment earnings thereon does not exceed the amount reasonably expected to be required to pay Project Costs, including interest on the Obligations during the Project period and financing costs.

(b) The term of the Obligations is not longer than reasonably necessary for the governmental purposes thereof, and is not longer than the expected useful life of the Equipment.

(c) In connection with the issuance of the Obligations, the Village has not utilized any device (not described in this Certificate) which attempts to circumvent the restrictions of the Code to exploit the difference between tax-exempt and taxable interest rates to obtain a material financial advantage. The Village has not attempted to increase improperly the burden on the market for tax-exempt securities (for example, by selling its obligations in larger amounts or with longer maturities, or selling them sooner, than would otherwise be necessary).

#### **COMPLIANCE WITH REBATE REQUIREMENT**

7. In the Agreement, the Village has agreed to comply with provisions of the Code which in some circumstances require the Village to pay some of its investment earnings to the United States, as provided in Code Section 148.

#### **PRIVATE ACTIVITY TESTS**

8. No payment on the Obligations is secured by property to be used in any private business. None of the Proceeds are to be used for any such private business use. The Village has no leases, management contracts or other agreements with private entities or the federal government for either (a) management or operation of the Equipment, or (b) the use of designated portions of the Equipment.

#### **INVESTED SINKING FUNDS**

10. There are no funds (a) to be held under the Agreement or (b) which are pledged as security for the Obligations (including by way of negative pledges), or which will be used to pay the Obligations, or which could be reasonably be expected to be available to pay the Obligations if the Village were to encounter financial difficulty. The Village will pay the Obligations from its general funds, with there being no obligation (or expectation) on the part of the Village or any other entity to segregate or identify any particular funds or accounts for the payment of or security for the Obligations.

**MISCELLANEOUS**

9. (a) No substantial part of the Equipment will be sold, no arrangement has been or will be entered into with respect to the Equipment that would be treated as a sale for federal income tax purposes, and the Village expects to use the Equipment for its currently-intended purpose at least until the stated date for final payment of the Obligations, in all cases other than such insubstantial portions as may be disposed of in the ordinary course of business due to normal wear or obsolescence.

(b) There are no other tax-exempt bonds, notes or obligations of the Village which have been or are expected to be issued or contracted within 20 days before or after today.

(c) None of the Proceeds will be used to make any payment on any other Village obligation that was contracted in the exercise of the Village's borrowing power.

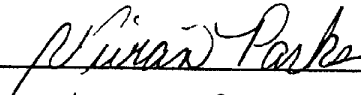
(d) No portion of the Obligations is Federally Guaranteed.

**REASONABLENESS; BINDING EFFECT**

10. To the best of my knowledge and belief, the expectations set forth above are reasonable and the statements set forth above are correct. The Village's covenants made as described in this Certificate are intended as binding covenants of the Village.

WITNESS my signature this 13th day of January, 2015.

**VILLAGE OF KEY BISCAYNE,  
FLORIDA**

By: 

Name: VIVIAN PARKS

Title: FINANCE DIRECTOR



# Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>Village of Key Biscayne, Florida</b>		2 Issuer's employer identification number (EIN) <b>65-029811</b>	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) <b>88 W. McIntyre Street</b>	Room/suite	5 Report number (For IRS Use Only) <b>3</b>	
6 City, town, or post office, state, and ZIP code <b>Key Biscayne, FL 33149</b>		7 Date of issue <b>01/20/2015</b>	
8 Name of issue <b>\$130,000.00 equipment installment financing</b>		9 CUSIP number	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Vivian Parks, Finance Director</b>		10b Telephone number of officer or other employee shown on 10a <b>305-365-8903</b>	

<b>Part II Type of issue (enter the issue price). See the instructions and attach schedule.</b>			
11 Education	12 Health and hospital	13 Transportation	14 Public safety
15 Environment (including sewage bonds)	16 Housing	17 Utilities	18 Other. Describe ► <b>installment financing for vehicles</b>
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			
		11	
		12	
		13	
		14	
		15	
		16	
		17	
		18	<b>130,000 00</b>

<b>Part III Description of Obligations. Complete for the entire issue for which this form is being filed.</b>				
(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
<b>01/20/2019</b>	<b>\$ 130,000.00</b>	<b>\$ 130,000.00</b>	<b>2.5246 years</b>	<b>1.9802 %</b>

<b>Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)</b>				
22 Proceeds used for accrued interest	23 Issue price of entire issue (enter amount from line 21, column (b))	24 Proceeds used for bond issuance costs (including underwriters' discount)	25 Proceeds used for credit enhancement	26 Proceeds allocated to reasonably required reserve or replacement fund
27 Proceeds used to currently refund prior issues	28 Proceeds used to advance refund prior issues	29 Total (add lines 24 through 28)	30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	
				<b>0</b>
				<b>124,900 00</b>

<b>Part V Description of Refunded Bonds. Complete this part only for refunding bonds.</b>	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

**Part VI Miscellaneous**

- |            |  |  |  |
|------------|--|--|--|
| <b>35</b>  |  |  |  |
| <b>36a</b> |  |  |  |
| <b>37</b>  |  |  |  |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .
- 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .
- b** Enter the final maturity date of the GIC ▶ \_\_\_\_\_
- c** Enter the name of the GIC provider ▶ \_\_\_\_\_
- 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .
- 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the following information:
- b** Enter the date of the master pool obligation ▶ \_\_\_\_\_
- c** Enter the EIN of the issuer of the master pool obligation ▶ \_\_\_\_\_
- d** Enter the name of the issuer of the master pool obligation ▶ \_\_\_\_\_
- 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . . ▶ ☐
- 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . . ▶ ☐
- 41a** If the issuer has identified a hedge, check here ▶ ☐ and enter the following information:
- b** Name of hedge provider ▶ \_\_\_\_\_
- c** Type of hedge ▶ \_\_\_\_\_
- d** Term of hedge ▶ \_\_\_\_\_
- 42** If the issuer has superintegrated the hedge, check box . . . . . ▶ ☐
- 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . . ▶ ☐
- 44** If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . . ▶ ☒
- 45a** If some portion of the proceeds was used to reimburse expenditures, check here ▶ ☐ and enter the amount of reimbursement . . . . . ▶ \_\_\_\_\_
- b** Enter the date the official intent was adopted ▶ \_\_\_\_\_

<b>Signature and Consent</b>	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return to the person that I have authorized above.				
	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> </div> <div style="flex: 1; text-align: center;"> <div style="font-size: 1.2em; font-weight: bold;">1/14/15</div> <div style="font-size: 0.8em;">Date</div> </div> </div>	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <div style="font-weight: bold; font-size: 1.1em;">VIVIAN PARKS, FINANCE DIR.</div> <div style="font-size: 0.8em;">Type or print name and title</div> </div> </div>			
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no. ▶	

**CITY OF KEY BISCAYNE, FLORIDA**

**INVOICING INFORMATION SHEET**

CONTRACT NUMBER: 9909000405-00003

CONTRACT DATE: January 13, 2015

INVOICING ADDRESS:

VILLAGE OF KEY BISCAYNE  
88 W. MCINTYRE ST.  
KEY BISCAYNE, FL 33149

CONTACT PERSON: VIVIAN PARKS

PHONE NUMBER: 305-365-8903

FAX NUMBER: 305-365-8934

CONTACT PERSON'S E-MAIL ADDRESS: VPARKS@KEYBISCAYNE.FL.GOV